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PROVISION FOR THE CARE OF THE FAMILIES AND DEPENDENTS OF SOLDIERS AND SAILORS¹

JULIA C. LATHROP

Chief United States Children's Bureau

PRESIDENT Lindsay has asked me to speak especially upon the aspect of the Military and Naval Insurance Act indicated by the title. Honorable Julian W. Mack of the United States Circuit Court, chairman of the committee which drafted the measure, should be here today to present this subject, and that not only because he could present certain technical aspects which I cannot assume to discuss, but more because the law is so informed with his own rich human wisdom that no one else can discuss it so well as he.

What I shall present to you can be in no sense a substitute for what Judge Mack could have given, and I owe it to you to explain why, at Judge Mack's request, I venture to accept the invitation to appear here. Almost immediately upon the declaration of war by the United States, the Children's Bureau undertook a study of child welfare in the warring countries by examining such sources of information as were then available in the United States. It soon became evident that the more powerful countries involved in the war were making increasing efforts to protect infancy and childhood not only by voluntary civilian activities, but by governmental provisions. It became clear that if the participation of the United States in the war was to be extensive or of long continuance, special governmental action for the protection of soldiers' children would be necessary in this country.

The provisions of Canada, our next-door neighbor, appeared so important, not only by reason of their own completeness, but by reason of the similarity between the standards of life in Canada and in this country, that it was determined to make special study of the operations of the Canadian plan for the care of dependents of enlisted men. The bureau was fortunate enough to secure the services of Mr. (now Captain) S. Herbert Wolfe of New York, an actuary of high standing, who made the desired study as a

¹ Address at the meeting of the Academy of Political Science, December 15, 1917.

patriotic contribution, and it was published by the bureau in May of this year under the title of *Care of Dependents of Enlisted Men in Canada*.

It was then suggested by the secretary of labor that a comparison of the governmental provisions for soldiers in the United States and in foreign countries would give further material upon which to base a new provision for this country, and accordingly another pamphlet was prepared by the bureau under the general direction of Captain Wolfe, entitled *Governmental Provisions in the United States and Foreign Countries for Members of the Military Forces and Their Dependents*, in which the then existing United States provisions are compared with those in force in eleven of the warring countries.

These two bulletins, but especially the Canadian study, furnished a beginning for the measure drafted under Judge Mack's supervision. The Canadian plan embraces four features of special interest: allotments from their pay by soldiers to their dependents and accompanying flat-rate government allowances to dependents; Patriotic Fund allowances which supplement those of the government by appropriations varying with the size of the family; a plan of re-education of injured soldiers under military auspices; and in certain cases, insurance. The city of Toronto, for instance, gives insurance to each soldier enlisted therefrom in the uniform sum of \$1,000. It will be seen that the Patriotic Fund is voluntary, and that the insurance not only is voluntary but is of limited application. Close study of the operation of the Canadian plan shows that the maintenance of the family, and the nurture and education of the children are made of fundamental importance. Inevitably the Children's Bureau was interested in the development of a plan for this country keeping to the fore provisions for the children, in terms suited to the temper and needs of our people and to the standards of life achieved here.

Many persons participated in the preliminary discussions, and the idea of developing an insurance scheme was regarded with special favor as its possibilities became clearer. This novel feature has been prominent in the public mind, as the War Risk Insurance Act has begun operation, and it is not easy to exaggerate its importance either financially or as a stimulus to thrift and independence. But the other features of the act are also intended to foster independence, and all the provisions are so

inter-dependent that the measure must be considered as a whole in trying to judge of its practical value to the soldier and his family.

The work of Judge Mack and his committee is embodied in the Military and Naval Insurance Act which became law on October 6, 1917, its administration being lodged in the Department of the Treasury in the Bureau of War Risk Insurance.

Under this apparently narrow but really adequate title, the War Risk Insurance Bureau begins a new governmental task of tremendous proportions. It is no less than to carry out a plan of affording a safe economic basis for all members of the armed forces of the United States and their dependents, and to secure it now. It attempts this upon the theory that the family income is profoundly disturbed by the mobilizing of the armed forces, that the usual hazards of death and disability which the breadwinner meets are enormously increased in war, and that the nation which claims the services of certain of its citizens for military duty should also assume so far as possible the extra loss and hazard involved—in other words, the war risk.

The law offers a distinct governmental scheme under which if death results, the family, and if injury results, the man and his family shall have at least a certainty of modest income with which to face the world, an income known in advance, and ready when most needed. The attempt is to express this governmental obligation by expedients which shall maintain and stimulate in the soldier and his family the independence and self-direction of civil life.

Not only was painstaking study made of the methods of providing for armed forces and their families in the various warring countries, but also the needs and temper of our people and the standards of life existing here were taken into account in devising the plan which the new law embodies. It unites provisions never before combined in a governmental measure in any country, and contains certain features entirely novel in the United States.

The outstanding features of the act are as follows:

1. *Allotments and Allowances.*

Allotments are made by the enlisted man to his family; allowances are made by the government to the family.

Subject to the conditions and limitations and exceptions specified in the act, all enlisted men in the military and naval forces

shall make allotment of pay for the benefit of wife and child or children; and *may* make allotment of pay for the benefit of any other person.

The monthly compulsory allotment shall not be more than half the pay nor less than \$15.

In addition to the allotment made by the man the family will have another source of income; for upon written application to the Bureau (of War Risk Insurance) by the enlisted man, or by or on behalf of any prospective beneficiary, the United States will grant and pay a family allowance of not more than \$50 per month.

Thus the family allowance payable monthly by the government to the wife, the child or children of an enlisted man is as follows:

- a. If there be a wife, but no child, \$15.
- b. If there be a wife and one child, \$25.
- c. If there be a wife and two children, \$32.50, with \$5 per month for each additional child.
- d. If there be no wife, but one child, \$5.
- e. If there be no wife, but two children, \$12.50.
- f. If there be no wife, but three children, \$20.
- g. If there be no wife, but four children, \$30, with \$5 per month additional for each additional child.

In order to compute the family income it is necessary to add the sum allowed by the government to that allotted by the man. For instance, suppose a private at lowest pay, \$30 per month, has a wife and two children. He is required to allot to them at least \$15 and in his case this is also the maximum he must allot, for it is half his pay. In addition to this allotment of \$15, his family will receive from the government \$32.50 each month, giving them a total income of \$47.50. The War and Navy Departments will pay over to the Treasury Department monthly the entire amount of the allotments made from the pay of the enlisted men, and allotments and family allowances will be paid together by the War Risk Insurance Bureau to the family.

Again, if the man has two children, but no wife, the income for their benefit would be \$15, the man's allotment, plus \$12.50, the government allowance, making a total monthly income of \$27.50.

Special provision is made for a former wife divorced, and not re-married, to whom alimony has been decreed by a court, and also for an illegitimate child recognized by the father or to whose support the father has been judicially ordered to contribute.

So far we have been considering those dependents described in the law as Class A—the wife and children to whom allotment of pay by the enlisted man is compulsory. Subject to regulation, the enlisted man may allot any proportion of his monthly pay or of the part remaining after he has made the compulsory allotment in Class A to any person and for any purpose he may direct. Should the enlisted man allot pay to certain persons who are described in the law as Class B, the government will also contribute an allowance.

The law states that the terms man and enlisted man mean a person, whether male or female, and the beneficiaries in Class B may be either men or women.

The law describes Class B, and states the family allowance payable by the government each month, as follows:

- a. If there be one parent, \$10.
- b. If there be two parents, \$20.
- c. For each grandchild, brother, sister, and additional parent, \$5.

When a woman is making allotment to a child or children, the government allowance will be as follows:

- d. If there be one child, \$5.
- e. If there be two children, \$12.50.
- f. If there be three children, \$20.
- g. If there be four children, \$30, with \$5 per month additional for each additional child.

Family allowances to the above-named members of Class B will be granted by the government only while the member is dependent in whole or in part on the enlisted man, and then only while the enlisted man makes a monthly allotment of his pay equal to the amount of the monthly family allowance, with the following exceptions:

1. The enlisted man cannot be required to allot more than one-half his pay.
2. If the enlisted man is making no allotment to a member of Class A he must allot at least \$15 within Class B in order that the member of Class B may receive the government allowance.

3. If the enlisted man is making the compulsory allotment within Class A, he will be required to allot not more than one-seventh of his pay, but not less than \$5 a month within Class B.

The government may make the allowance to members of Class B without any additional allotment from the enlisted man for good cause shown. But the total received by the beneficiaries of Class B through the government allowance and the enlisted man's allotment shall not exceed the average sum which the enlisted man had been in the habit of contributing to their support.

Thus, if a man has no wife or child, but has a dependent parent and allots the minimum of \$15 per month, the government allows \$10 per month, making a total of \$25 each month. If there are two parents, the man's allotment will be the same, but the government will allot \$20, making a total of \$35 per month.

2. *Compensation in Case of Death or Disability.*

Compensation to widow alone is \$25 per month, to widow and one child, \$35, less in both cases than the income derived from combined allotment and allowance. Compensation in case of death to a widow and two children is \$47.50 per month, the exact sum secured during the man's service at lowest pay by allotment and allowance together. Compensation for one child is \$20, the exact equivalent of the sum of allotment and allowance. Compensation to a widow continues until death or re-marriage; compensation to a child until eighteen years old or married, unless incapable, and then during incapacity.

Compensation for total disability to earn a livelihood is in a rising scale, according to the size of the family, and reaches a maximum of \$100 a month. The monthly compensation during total disability is to be in the following amounts:

- a. If he has neither wife nor child living, \$30.
- b. If he has a wife but no child living, \$45.
- c. If he has a wife and one child living, \$55.
- d. If he has a wife and two children living, \$65.
- e. If he has a wife and three or more children living, \$75.
- f. If he has no wife but one child living, \$40, with \$10 for each additional child up to two.
- g. If he has a widowed mother dependent on him for support, then in addition to the above amounts, \$10.

To an injured person who is totally disabled and so helpless as to be in constant need of a nurse or attendant, such additional sum shall be paid, not exceeding \$20 per month, as the director may deem reasonable. If, however, the man loses both feet or both hands or both eyes, or becomes totally blind or helpless and permanently bedridden from causes occurring in the line of duty in the service of the United States, the rate of compensation is \$100 a month; no allowance will be made for nurse or attendant.

Compensation for partial disability is calculated according to a schedule of ratings based on average impairments of earning capacity in civil occupations.

3. *Re-education.*

In the law, re-education is discussed as a part of the compensation provision. It is provided that in cases of dismemberment, of injuries to sight or hearing, and of other injuries commonly causing permanent disability, the injured person shall follow such course of rehabilitation, re-education and vocational training as the United States may provide or procure to be provided. Should such course temporarily prevent the injured person from following a substantially gainful occupation, a form of enlistment may be required which will bring the injured person into the military or naval service. Such enlistment shall entitle the person to full pay as during the last month of his active service, and his family to family allowances and allotment as hereinbefore provided, in lieu of all other compensation for the time being. Compensation allowed for injury will not be withdrawn no matter how successful the re-education.

The provision for re-education is so important in its bearing on the welfare and independence of the family and so modern in its offer of service to the man that it must be considered as one of the prime features of the measure, destined to great development in physical restoration and industrial adaptation, and therefore in usefulness and contentment.

The government has for some months had experts in Europe studying the hospitals for re-education of injured men, and the War Department has large plans under way for putting into operation the best methods of dealing with injuries of varying character.

4. *Insurance.*

Thus far the provisions described have been in the main compulsory, and notwithstanding the modifications possible by the

administrative authorities, and by the man himself, necessarily little can be left to individual discretion.

We now come to an entirely voluntary feature—the insurance. Here is a direct appeal to thrift, foresight, independence and individual action. The insurance is for death or total disability. Since the rates of private insurance companies for life insurance under war conditions necessarily rise to prohibitive figures, the government offers to bear the entire war hazard and to furnish insurance calculated on the basis of the American experience tables of mortality and interest at three and one-half per cent per annum, offered in sums of not less than \$1,000 nor more than \$10,000. The cost monthly to a man of twenty-one for each \$1,000 is \$.65; for \$78 he can buy \$10,000 of insurance for one year. To a man thirty-one years old the cost per month is \$.70 for \$1,000, while for \$84 he can be insured for \$10,000 for one year.

The law provides that the insurance must be taken out within 120 days after enlistment or after the publication of the terms, but that any person in the active service on or after the sixth day of April 1917, who has become totally and permanently disabled or who dies within the time allowed for making application without having applied for insurance shall be deemed to have applied for such insurance, and in case of total permanent disability he shall be paid during his life monthly instalments of \$25 each. In case of his death \$25 per month shall be paid to his wife from the time of his death and during her widowhood, or to his children or widowed mother surviving him; but not more than 240 of such monthly instalments shall be paid. Thus the type of family mentioned above, in which there are a wife and two children, and which by allotment and allowance secures an income of \$47.50 per month while the man is in the service, receives from the government compensation in the same amount, \$47.50 per month, in the event of the death of the man while in the service and in the line of duty, and the “automatic” insurance would add \$25 per month, making a family income of \$72.50. If the man is totally and permanently disabled under the same conditions, he and his family will receive \$100 from the government, and \$25 insurance, making \$125 each month the income for total permanent disability.

The \$25 a month insurance payment is equivalent to what the man would have received from insurance amounting to about

\$4,300. If the man insures his life for a larger or smaller sum, the resulting income would be proportionate, as shown by the following table issued by the director of the Bureau of War Risk Insurance of the Treasury Department:

<i>Amount</i>	<i>Converted into Monthly Instal- ments of</i>	<i>Amount</i>	<i>Converted into Monthly Instal- ments of</i>
\$1,000	\$5.75	\$6,000	\$34.50
1,500	8.63	6,500	37.38
2,000	11.50	7,000	40.25
2,500	14.38	7,500	43.13
3,000	17.25	8,000	46.00
3,500	20.13	8,500	48.88
4,000	23.00	9,000	51.75
4,500	25.88	9,500	54.63
5,000	28.75	10,000	57.50
5,500	31.63		

It is especially to be noted that the insurance offered by the government in war time is what is known as annual renewal term insurance. At the man's direction the government will retain from his pay the monthly premium and will continue the insurance from year to year if so directed. This insurance has no surrender value, and the premiums increase with the age of the insured. The government, however, offers liberal provisions for changing this insurance to more desirable forms at the close of the war or within a five-year period thereafter, and the man must select some one of the plans then offered or his insurance terminates.

Insurance is not assignable, nor subject to the claims of creditors of the insured or of his beneficiaries.

It was feared by some friends of the law that advantage of the insurance provision might not generally be taken. The indications thus far, however, are that the insurance plan has commended itself to officers and men alike. Thus on December 13, sixty-eight days after the passage of the act, the War Risk Insurance Bureau had received total applications amounting to \$1,963,000,000, representing over 200,000 applicants. The aver-

age amount of the policy thus far is between eight and nine thousand dollars, and officers and men insure with equal freedom.

Plainly the income from the insurance added to the compensation allowed by law does insure a certainty of modest independence to the family. The government thus makes good for the soldier's child the educational standard which it tacitly sets up when it extends the allowance for the child's support until the age of eighteen. This age limit implies the equivalent of a high-school education, and is one of the most noteworthy features of the bill.

One great advantage of the measure is plain. The government promptly recognizes and assumes its responsibility for the soldier and his family, and if the operation of the law proves successful it will certainly avoid the difficulty of the old pension system under which pensioners reached their highest number forty-four years after the close of the Civil War, and pensions their highest cost forty-nine years after the war was at an end. The soldiers' orphan asylum and the soldiers' home will not reappear after this war if the spirit of this measure is carried out.

Much has been written upon the costly failure of the American pension system.

A leading weekly some years ago commented editorially as follows: "The fault is not in this bill, but in our whole method of dealing with pensions from the beginning onward. . . The whole system has been demoralizing."

The soldiers' orphan asylum with the inevitable breaking down of family protection for the child was a part of the old system. The modern character of the new law is seen clearly in the provisions which encourage keeping the family together and educating the children in the ordinary schools.

The Military and Naval Division of the Bureau of War Risk Insurance is directly concerned with putting into operation the measure which has been described in this paper. The division is being organized as rapidly as possible by William C. Delaney, Director of the Bureau, and Charles F. Nesbit, Commissioner, a man whose previous experience gives him special qualifications for this exceedingly difficult and exacting piece of work.

The most pressing task of the bureau is undoubtedly the working out of the family allotments and the government allowances for the dependents of the enlisted men, so that prompt payment may be secured. For paying the government allowances the law

provides the sum of \$141,000,000, to be known as the Military and Naval Family Allowance appropriation.

The commissioner tells us that the Military and Naval Division is receiving applications written in Polish and Italian, and that translators are among the experts required. The government must also have the services of agents who can understand not only the tongue of these foreign-born families of soldiers, but their needs and aspirations as well. Many of them came to the United States because they wanted to rear their children in America, where the universal military service of the Continent is unknown; and now, caught as we all are in this fearful international maelstrom, they are fighting with our native-born to make finally sure that peace which they long since coveted for their children even more than for themselves.

Can the government do this work? Personally, I unhesitatingly answer yes, and it can do it better than any private organization or than any combination of public and private effort, admirable as is the result of such combined effort in Canada. The reasons for placing the main financial burden on the government are sound, although I am not forgetting that the civilian relief of the Red Cross will meet many emergencies and that states and cities and individuals will help in various ways.

No attorney or claim agent is necessary to secure or collect any allotment, allowance, or insurance, because the Government provides by regulation direct and simple methods of proving claims and of paying over to the proper persons all the benefits mentioned in the law.

Throughout the measure a purpose is seen to secure the flexibility necessary for prompt adjustment to individual need or changed conditions, without sacrifice of business effectiveness. Much power is given to those responsible for the administration of the law to make and alter regulations, to allow exemptions and exceptions. This emphasis on discretionary power is one of the marked features of the law. It connotes administration by the highest type of trained specialists, and indeed without such administration the law would be destined to failure.

The law's administration presents many difficulties. Now is the time to face them. The law is a great instance of much of the newer social legislation in our country, which cannot be administered by business effectiveness alone, although that is indispensable.

As the juvenile court laws, the mothers' pension laws, and the workmen's compensation laws and the health regulations of our cities and states are gradually developing a new type of trained person who unites scholarly or business acquirements with practical training in applied social science, so this law must invite and utilize the best ability of the country at every strategic point in this great and novel undertaking. The law is in some respects plainly experimental; amendments will probably be needed, but that is to be expected.

If the law can be administered through the long period ahead during which it must operate, in the same spirit which drafted it, and if its administrators use wisely their power to make regulations and to allow modifications solely in the interest of the beneficiaries, a great technical problem of government administration will be solved, but beyond that a real advance in justice to the soldier and his family will be gained.¹

¹ The following bulletins have been issued by the Bureau of War Risk Insurance:

1. Terms and Conditions of Soldiers' and Sailors' Insurance.
2. Brief Outline of Family Allowances, Allotments, Compensation, and Insurance for the Military and Naval Forces of the United States Provided under Act of Congress approved October 6, 1917.
3. Family Allowances, Allotments, Compensation, and Insurance for the Military and Naval Forces of the United States Provided under Act of Congress approved October 6, 1917. An Explanation submitted by Judge Julian W. Mack.